

## **FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
Planning & Development	Dave LaClergue	Calvin Chow

**Legislation Title:**

AN ORDINANCE relating to the redevelopment of Yesler Terrace by the Housing Authority of the City of Seattle; and authorizing the Mayor to execute a Cooperative Agreement with the Housing Authority of the City of Seattle.

**Summary of the Legislation:** The proposed bill is part of a package of legislation that includes a rezone and Land Use Code amendments, a planned action ordinance, and a cooperative agreement, all intended to support redevelopment of Yesler Terrace. The proposed Yesler Terrace Cooperative Agreement would commit levy funds and other existing resources, and would result in increased review and monitoring time for City staff.

**Background:** In 2011, the Seattle Housing Authority (SHA) Board of Commissioners adopted a phased redevelopment plan for Yesler Terrace. The plan includes a mix of residential and nonresidential uses, a substantial increase to residential density, and a major reconfiguration of the streets. The SHA plan cannot move forward without a variety of regulatory changes from the City, including a rezone and a street vacation.

Also in 2011, City Council approved the creation of a new “Master Planned Community” designation in the Comprehensive Plan, and applied that designation to Yesler Terrace on the Future Land Use Map. Those actions were intended to support Yesler Terrace redevelopment efforts, and to start the process of developing new zoning.

Since that time, departmental staff have been engaged with SHA to develop legislation consistent with Comprehensive Plan, the SHA redevelopment plan, and other stakeholder priorities. As part of the proposal, the Yesler Terrace Cooperative Agreement would establish certain commitments on the part of the City and Seattle Housing Authority relating to funding, affordable housing, and other conditions of redevelopment. For a full description of the inter-related legislative proposal, please see the Director’s Report to the Ordinance introduced as Council Bill \_\_\_\_\_.

Please check one of the following:

☐ **This legislation does not have any financial implications.**

☒ **This legislation has financial implications.**

**Appropriations:**

<b>Fund Name and Number</b>	<b>Department</b>	<b>Budget Control Level*</b>	<b>2012 Appropriation</b>	<b>2013 Anticipated Appropriation</b>
<b>TOTAL</b>				

Appropriations Notes: No anticipated impacts.

**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

<b>Fund Name and Number</b>	<b>Department</b>	<b>Revenue Source</b>	<b>2012 Revenue</b>	<b>2013 Revenue</b>
<b>TOTAL</b>				

Revenue/Reimbursement Notes: No anticipated impacts.

**Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:**

<b>Position Title and Department</b>	<b>Position # for Existing Positions</b>	<b>Fund Name &amp; #</b>	<b>PT/FT</b>	<b>2012 Positions</b>	<b>2012 FTE</b>	<b>2013 Positions*</b>	<b>2013 FTE*</b>
<b>TOTAL</b>							

Position Notes: No anticipated impacts.

**Spending/Cash Flow:**

<b>Fund Name &amp; #</b>	<b>Department</b>	<b>Budget Control Level*</b>	<b>2012 Expenditures</b>	<b>2013 Anticipated Expenditures</b>
Community Development Block Grant #17810	Executive	6XZ10	\$545,000	
Low Income Housing Fund #16400	Executive	XZ-R1	Up to \$1,855,000	
Weatherization funds #16400	Executive	XZ600	Up to \$300,000	
<b>TOTAL</b>			<b>\$2,700,000</b>	

Spending/Cash Flow Notes: See Attachment A for spending/cash flow impacts in future years.

**Other Implications:**

- a) **Does the legislation have indirect financial implications, or long-term implications?**  
 While the legislation does not pose direct impacts to annual budgets, it would commit funds totaling up to \$10.9 million dollars between 2012 and 2016. These funds would come from existing fund sources including the Parks and Green Spaces Levy and Community Development Block Grants – see Attachment A for details.

Development of a Neighborhood Park would lead to increased operations and maintenance costs for Seattle Parks. Funding for O&M is not identified in this agreement, and would be requested in future budget processes. Seattle Parks estimates that O&M would be around \$30,000 per year once the park is built.

- b) What is the financial cost of not implementing the legislation?** There are no direct financial costs of not implementing the legislation. There would be a number of significant opportunity costs, however:
- HUD has already approved a Choice Neighborhoods grant of \$10.3 million, and SHA has applied for an additional \$20 million; both of these grants depend on matches from the City. Without HUD funds, it is likely that SHA would depend more heavily on City contributions to replace failing housing at Yesler Terrace.
  - HUD funds obtained through this match will help pay for replacing failing public utility infrastructure and for upgrading streets and sidewalks.
  - The Cooperative Agreement commits SHA to donating 1.75 acres of land to the City, and in exchange Parks and Recreation will improve this land with up to \$3 million dollars of Parks and Green Spaces Levy funds. Without the Levy commitment, Parks would not receive free land in a suitable location for a park on First Hill.
- c) Does this legislation affect any departments besides the originating department?** See Attachment A for a summary of financial commitments by Office of Housing and Parks and Recreation. In addition, we anticipate impacts to staff time in OH, DPD, DON, SDOT, and Parks, but expect that these impacts can be absorbed through existing fee structures, inter-local agreements, and future budget requests.
- d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?** There are no possible alternatives to achieve the same or similar objectives, with regard to matching HUD grants or obtaining park land.
- e) Is a public hearing required for this legislation?** No.
- f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?** No.
- g) Does this legislation affect a piece of property?** See Attachment B for the affected area.
- h) Other Issues:**

**List attachments to the fiscal note below:**

Attachment A: City Funding Commitments for Yesler Terrace Redevelopment  
Attachment B: Project Area

## Attachment A: City Funding Commitments for Yesler Terrace Redevelopment

The following tables summarize funding commitments that would be made through the proposed Cooperative Agreement

### Phase 1 (leverages approx. \$10,270,000 HUD grant)

Purpose	Source	Amount
Affordable housing	CDBG	\$545,000
Affordable housing	Other affordable housing funds	Up to \$1,855,000
Weatherization Assistance	HomeWise Program	Up to \$300,000
<b>TOTAL</b>		<b>Up to \$2,700,000</b>

### Phase 2 (leverages approx. \$19,730,000 HUD grant)

Purpose	Source	Amount
Affordable housing	CDBG	\$500,000
Affordable housing	Other affordable housing funds	Up to \$4,720,000
Neighborhood Park development	Parks Levy	Up to \$3,000,000
<b>TOTAL</b>		<b>Up to \$8,220,000</b>

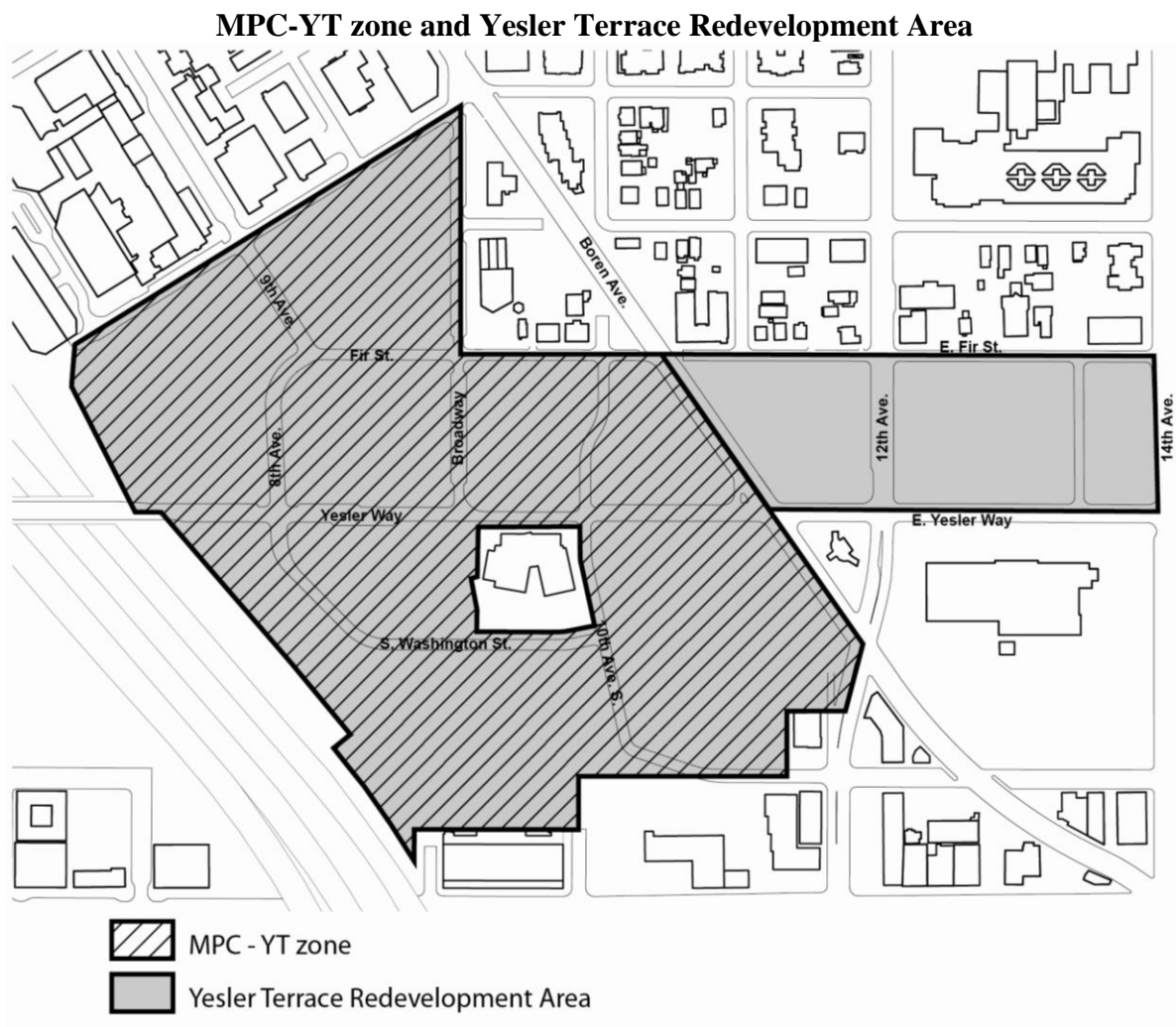
<b>Total City Commitment in Phases 1 and 2</b>	<b>Up to \$10,920,000</b>
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### Estimated timing of expenditure of City funds

Year	Fund Source	Amount
2012	CDBG and Housing Funds Weatherization funds	Up to \$2.4 million Up to \$300,000
2013		0
2014	CDBG and Housing Funds	Up to \$1.8 million
2015		0
2016	CDBG and Housing Funds Parks and Greens Spaces Levy	Up to \$3.42 million Up to \$3 million
<b>TOTAL</b>		<b>Up to \$10,920,000</b>

Development of a Neighborhood Park, as proposed, would lead to increased operations and maintenance costs for Seattle Parks. Funding for O&M is not identified in this agreement, and would be requested in future budget processes. Seattle Parks estimates that O&M would be around \$30,000 per year once the park is built.

## Attachment B: Project Area



The MPC-YT zone depicts the area where the new zoning requirements would apply. Housing fund commitments would be used for development at various locations in the larger “redevelopment area.” The Parks Levy commitment would apply to the 1.75 acre property on the west side of the existing Yesler Community Center, between Washington Street and Yesler Way.